

done in passage of the health care reform legislation—so-called—on the floor of the Senate.

I see my friend from North Dakota here. I have appreciated his efforts for a long time. He and I have been working on this for a long time. It is a fact that I received the word of the majority leader that this bill would be taken up and that has not happened. That has happened twice. I must say it has never happened to me before in the years I have been a Member of the Senate.

I ask unanimous consent to have printed in the RECORD the New York Times article of August 6, 2009, "White House Affirms Deal on Drug Costs."

I also ask unanimous consent to have printed in the RECORD the letter from Senator REID to Senator SNOWE, Senator DORGAN, and to me.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 6, 2009]

WHITE HOUSE AFFIRMS DEAL ON DRUG COST
(By David Kirkpatrick)

WASHINGTON.—Pressed by industry lobbyists, White House officials on Wednesday assured drug makers that the administration stood by a behind-the-scenes deal to block any Congressional effort to extract cost savings from them beyond an agreed-upon \$80 billion.

Drug industry lobbyists reacted with alarm this week to a House health care overhaul measure that would allow the government to negotiate drug prices and demand additional rebates from drug manufacturers.

In response, the industry successfully demanded that the White House explicitly acknowledge for the first time that it had committed to protect drug makers from bearing further costs in the overhaul. The Obama administration had never spelled out the details of the agreement.

"We were assured: 'We need somebody to come in first. If you come in first, you will have a rock-solid deal,'" Billy Tauzin, the former Republican House member from Louisiana who now leads the pharmaceutical trade group, said Wednesday. "Who is ever going to go into a deal with the White House again if they don't keep their word? You are just going to duke it out instead."

A deputy White House chief of staff, Jim Messina, confirmed Mr. Tauzin's account of the deal in an e-mail message on Wednesday night.

"The president encouraged this approach," Mr. Messina wrote. "He wanted to bring all the parties to the table to discuss health insurance reform."

The new attention to the agreement could prove embarrassing to the White House, which has sought to keep lobbyists at a distance, including by refusing to hire them to work in the administration.

The White House commitment to the deal with the drug industry may also irk some of the administration's Congressional allies who have an eye on drug companies' profits as they search for ways to pay for the \$1 trillion cost of the health legislation.

But failing to publicly confirm Mr. Tauzin's descriptions of the deal risked alienating a powerful industry ally currently helping to bankroll millions in television commercials in favor of Mr. Obama's reforms.

The pressure from Mr. Tauzin to affirm the deal offers a window on the secretive and potentially risky game the Obama administration has played as it tries to line up support

from industry groups typically hostile to government health care initiatives, even as their lobbyists pushed to influence the health measure for their benefit.

In an interview on Wednesday, Representative Raúl M. Grijalva, the Arizona Democrat who is co-chairman of the House progressive caucus, called Mr. Tauzin's comments "disturbing."

"We have all been focused on the debate in Congress, but perhaps the deal has already been cut," Mr. Grijalva said. "That would put us in the untenable position of trying to scuttle it."

He added: "It is a pivotal issue not just about health care. Are industry groups going to be the ones at the table who get the first big piece of the pie and we just fight over the crust?"

The Obama administration has hailed its agreements with health care groups as evidence of broad support for the overhaul among industry "stakeholders," including doctors, hospitals and insurers as well as drug companies.

But as the debate has heated up over the last two weeks, Mr. Obama and Congressional Democrats have signaled that they value some of its industry enemies-turned-friends more than others. Drug makers have been elevated to a seat of honor at the negotiating table, while insurers have been pushed away.

"To their credit, the pharmaceutical companies have already agreed to put up \$80 billion" in pledged cost reductions, Mr. Obama reminded his listeners at a recent town-hall-style meeting in Bristol, Va. But the health insurance companies "need to be held accountable," he said.

"We have a system that works well for the insurance industry, but it doesn't always work for its customers," he added, repeating a new refrain.

Administration officials and Democratic lawmakers say the growing divergence in tone toward the two groups reflects a combination of policy priorities and political calculus.

With polls showing that public doubts about the overhaul are mounting, Democrats are pointedly reminding voters what they may not like about their existing health coverage to help convince skeptics that they have something to gain.

"You don't need a poll to tell you that people are paying more and more out of pocket and, if they have some serious illness, more than they can afford," said David Axelrod, Mr. Obama's senior adviser.

The insurers, however, have also stopped short of the drug makers in their willingness to cut a firm deal. The health insurers shook hands with Mr. Obama at the White House in March over their own package of concessions, including ending the exclusion of coverage for pre-existing ailments.

But unlike the drug companies, the insurers have not pledged specific cost cuts. And insurers have also steadfastly vowed to block Mr. Obama's proposed government-sponsored insurance plan—the biggest sticking point in the Congressional negotiations.

The drug industry trade group, the Pharmaceutical Research and Manufacturers of America, also opposes a public insurance plan. But its lobbyists acknowledge privately that they have no intention of fighting it, in part because their agreement with the White House provides them other safeguards.

Mr. Tauzin said the administration had approached him to negotiate. "They wanted a big player to come in and set the bar for everybody else," he said. He said the White House had directed him to negotiate with Senator Max Baucus, the business-friendly Montana Democrat who leads the Senate Finance Committee.

Mr. Tauzin said the White House had tracked the negotiations throughout, assenting to decisions to move away from ideas like the government negotiation of prices or the importation of cheaper drugs from Canada. The \$80 billion in savings would be over a 10-year period. "80 billion is the max, no more or less," he said. "Adding other stuff changes the deal."

After reaching an agreement with Mr. Baucus, Mr. Tauzin said, he met twice at the White House with Rahm Emanuel, the White House chief of staff; Mr. Messina, his deputy; and Nancy-Ann DeParle, the aide overseeing the health care overhaul, to confirm the administration's support for the terms.

"They blessed the deal," Mr. Tauzin said. Speaker Nancy Pelosi said the House was not bound by any industry deals with the Senate or the White House.

But, Mr. Tauzin said, "as far as we are concerned, that is a done deal." He said, "It's up to the White House and Senator Baucus to follow through."

As for the administration's recent break with the insurance industry, Mr. Tauzin said, "The insurers never made any deal."

U.S. SENATE,

Washington, DC, September 22, 2009.

Senator OLYMPIA J. SNOWE,
Russell Senate Office Building,
Washington, DC.

Senator BYRON L. DORGAN,
Hart Senate Office Building,
Washington, DC.

Senator JOHN MCCAIN,
Russell Senate Office Building,
Washington, DC.

DEAR SENATORS: During consideration of H.R. 1256, the Family Smoking Prevention and Tobacco Control Act, I committed to take up legislation that would permit the safe importation of lower-cost prescription drugs as soon as practicable. Shortly after making that commitment, Senator Dorgan and I began the Rule XIV process on S. 1232, the Pharmaceutical Market Access and Drug Safety Act of 2009.

Unfortunately since taking that step, the Senate has experienced an extremely full legislative agenda that has not permitted me to turn to this important legislation as quickly as I would have liked. In light of the approaching new fiscal year, we have dedicated considerable time to appropriations matters. (On March 24, I received a letter signed by all Senate Republicans telling me it was critical that the Senate dedicate an "appropriate amount of time" to pass the twelve appropriations bills.) We have also completed action on the FY2010 National Defense Authorization Act, a bill to extend the solvency of the Highway Trust Fund and the unemployment insurance program, as well as a number of executive nominations.

Passing S. 1232 in the Senate will not be easy. Senate action on many legislative items has taken significantly longer than one would expect, even for measures that ultimately pass by a broad bipartisan vote. Numerous objections by Senate Republicans have forced the Senate to jump through procedural hoops that accomplish little more than delaying Senate action. Actions that have been taken by consent with little or no debate now take many days. Further complicating passage of this legislation is the fact that during its markup of comprehensive health reform the HELP Committee considered and defeated an effort to attach importation language to the underlying bill.

Notwithstanding these obstacles, I stand by my earlier commitment to make sure the Senate considers S. 1232 as soon as practicable. If this issue is not addressed during the full Senate's consideration of comprehensive health reform, I guarantee that I